TRINIDAD AND TOBAGO

A Guide for Canadian Exporters

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TRADE OFFICE RESPONSIBLE:
Commercial Division*
Canadian High Commission
Huggins Building
72 South Quay
P.O. Box 1246
Port of Spain, Trinidad

Cable: MAPLE LEAF PORT OF SPAIN
Tel: 62-34787, 62-37254/8
Telex: (Destination Code 294) 3429
(3429 DOMCAN WG)

* The Trade Office in Port of Spain is also responsible for trade relations with Barbados, French Guyana, Guadeloupe, Guyana, Haïti, Martinique, St. Martin, Surinam, The Leeward and Windward Islands (Antigua, St. Kitts-Nevis-Anguilla, Montserrat, Dominica, St. Lucia, St. Vincent, Grenada).

Caribbean and Central America Division
Office of Trade Development —
Latin America and Caribbean
Department of External Affairs

Ottawa, Ontario
K1A 0H5
Tel: (613) 992-0384
Telex: 053-4124

External Affairs Canada   Affaires extérieures Canada

CONTENTS

I. THE COUNTRY

Location and Geography

Trinidad has an area of 4,827 km^2 (1,864 square miles), being about 80 km (50 miles) in length and 59 km (37 miles) in width. It is the largest and most southerly of the Commonwealth Eastern Caribbean islands. It lies off the northeast corner of South America, 11 km (7 miles) off the coast of Venezuela, 336 km (210 miles) from Barbados and 1,865 km (1,159 miles) from Jamaica. Three mountain ranges traverse the island from east to west, the highest peak being just over 914 m (3,000 feet). About a third of the island is under cultivation and nearly half is forested. Sugar is grown on the west coast; oil is found in the south and southeast, and offshore; and cocoa, coffee and citrus fruits are grown mainly in the north and northeast.

Tobago has an area of 300 km^2 (116 square miles), being about 42 km (26 miles) in length and up to 12 km (7.5 miles) in width. It is situated 32 km (20 miles) northeast of Trinidad. The island is mountainous in the centre and north-east, and undulating and flat in the south and west. The highest peak is just over 600 m (2,000 ft.)

Trinidad and Tobago form one administrative and political entity.

Climate

Trinidad and Tobago lie between 10 and 12 degrees north of the equator. The climate on the islands is tropical, but because of the trade winds, extremes of heat are rare. Daily temperatures vary between 20° and 34°C, the coolest period being between December and April.

The year can be roughly divided into two seasons: the dry season from January to May; and a wet season from June to December, with a short break in September. Though occasionally heavy, the rainfall is of short duration and is interspersed with periods of bright sunshine. Humidity is fairly high.

The climate of the islands is very similar. However, Tobago's smaller size results in greater exposure to the trade winds, producing a somewhat cooler effect than in Trinidad.

Trinidad and Tobago are well south of the hurricane tracks, and are therefore practically free of storms.

Local Time

Atlantic Standard (add one hour to Eastern Standard Time) is used on the islands. Trinidad and Tobago do not use Daylight Saving Time.

Population

The estimated population at the end of 1981 was approximately 1.1 million, almost all of whom live on Trinidad. The population of Tobago was less than 50,000. The majority of the population is of African and East Indian descent. A substantial minority of the inhabitants consists of descendants of immigrants from Europe, China and the Middle East.

The most populous areas are in the Port of Spain area eastward to Arima, and in San Fernando to the south.

Principal Cities

The capital, Port of Spain (population 120,000), is situated on the northwest of Trinidad. It faces the Gulf of Paria, which separates the islands from Venezuela. Port of Spain is the commercial centre and main port of entry. The city of San Fernando (population 60,000) is the centre of the oil industry; it is located 48 km (30 miles) south of Port of Spain, also on the Gulf of Paria. Scarborough (population 3,000) is the chief town and port on Tobago.

Language

English is the official and commercial language spoken throughout Trinidad and Tobago. However, in scattered areas a form of French patois is heard. A number of Hindi dialects are spoken in areas where descendants of Indian indentured labourers are concentrated. Spanish, though not yet spoken fluently, is part of the secondary school curriculum.

Religion

There is freedom of religious practice throughout the territory. The majority of the population is Christian, mainly Roman Catholic and Anglican. There are also many followers of the Hindu and Islamic faiths.

Weights, Mesures and Electricity

Imperial weights and measures are in use, but the government has embarked on a phased program of metric conversion.

Electricity is supplied at 115 and 230 volts, 60 cycles, single-phase for domestic use, and 400 volts, 60 cycles, 3-phase for industrial use.

Public Holidays

The following are observed:

New Year's Day	January 1
Carnival**	February (Monday and Tuesda preceding Ash Wednesday)
Good Friday*	March/April
Easter Monday*	March/April
Whit Monday*	May/June
Corpus Christi*	May/June
Labour Day	June 19
Caribbean Day	First Monday in August
Republic Day	September 24
Independence Day	August 31
Christmas Day	December 25
Boxing Day	December 26

The Hindu Festival of "Divali" and the Moslem Festival of "Eid-ul-Fitr" are also celebrated as public holidays. These holidays are dependent on physical sightings of the moon.

* Variable dates
** Carnival is not an official public holiday; however, it is virtually impossible to conduct business on these two days. Hotel accommodation at this period is usually fully booked well in advance.

Business Hours

Business hours are generally 8:00 a.m. to 4:00 p.m., Monday to Friday, with a break for lunch from midday to 1:00 p.m. Banking hours are from 8:00 a.m. to 2:00 p.m., Monday to Thursday, and from 8:00 a.m. to noon and 3:00 p.m. to 5:00 p.m., on Friday.

Historical Background

The aboriginal name for the island of Trinidad was Iere (Land of the Humming Bird). It was discovered in 1498 by Christopher Columbus, who took possession of the island on behalf of the Spanish Crown and named it Trinidad, supposedly after a "trinity" of prominent hilltops.

The first Spanish settlement was established under Don Antonio Sedeno in 1532, but even then, and for many years afterwards, the Spanish colonists had great difficulty in maintaining a foothold on the island. In 1595, Sir Walter Raleigh arrived at Trinidad to caulk his ships from Pitch Lake before destroying the newly-founded Spanish town of San José (now St. Joseph). In 1640, the island was raided by the Dutch; and in 1677 and 1690, by the French. In 1797, when Spain was an ally of France against Britain, a British expedition sailed into the Gulf of Paria. Spanish resistance crumbled, resulting in the surrender of the island. In 1802, Trinidad was ceded to the British Crown by the Treaty of Amiens.

During the same voyage (his third) that Columbus discovered Trinidad, he also discovered Tobago, which, at the time was occupied by the Caribs. In 1641, James, Duke of Courland, obtained a grant of the island from the British King, Charles I, and in 1642, two vessels arrived with a number of Courlanders who settled on the north side. In 1658, the Courlanders were overpowered by the Dutch, who remained in possession of the island until 1662, when the Dutch company resigned their right to it.

After being occupied for short periods by the Dutch and the French, Tobago was ceded by France to Britain under the Treaty of Paris in 1763. But it was not until 1804, after futher invasions by the French and subsequent recapture by the British, that it was ceded in perpetuity to the British Crown, becoming a Crown Colony in 1877. In 1888, following a decline in the sugar economy, Tobago linked up with Trinidad. Since then, the two islands have been administered through one central government.

Trinidad and Tobago was an independent member of the Federation of the West Indies from its formation on January 3, 1958, until its dissolution on May 31, 1962. Under the provisions of the Trinidad and Tobago Independence Act, 1962, full independence and membership as a Dominion in the Commonwealth was attained on August 31, 1962.

Trinidad and Tobago became a Republic within the Commonwealth on August 1, 1976. The Head of State is the President. The Parliament consists of a nominated Senate and an elected House of Representatives.

The Government System

In 1962, under the strong leadership of Dr. Eric Williams, Trinidad and Tobago achieved independence from Britain. Dr. Williams, the leader of the popular People's National Movement (PNM) party, remained in direct control of the country as Prime Minister until his sudden death in office in March 1981. His successor, Mr. George Chambers, subsequently took the PNM through the most challenging election in the 26-year history of the party, emerging with a greater majority than before.

The new Constitution of the Republic of Trinidad and Tobago became effective August 1, 1976. It provides for the appointment of a President, and for the establishment of a Parliament comprising a Senate, and a House of Representatives.

The President is elected for a five-year period by both Houses of Parliament, meeting as the Electoral College.

The Senate comprises 31 nominated members. Of these 31, 16 are appointed by the President, acting on the advice of the Prime Minister. Six are appointed by the President, acting on the advice of the Leader of the Opposition. The remaining nine are appointed by the President, acting on the advice of the Prime Minister, after the Prime Minister has consulted with those religious, economic, and social bodies or associations from which the Prime Minister considers such senators shall be selected.

The House of Representatives comprises 36 elected members. The normal life of the House is five years.

Administration is based on a ministerial system, headed by a Prime Minister. All Ministers are members of one of the Houses of Parliament.

The legal and judicial system is based on English Common Law and practice. The Attorney General is the principal legal advisor to the government, and is appointed or removed from office by the President, acting on the advice of the Prime Minister.

II. ECONOMY AND FOREIGN TRADE

Economic Overview

1973-1980

The economy of Trinidad and Tobago has undergone a structural transformation during the past several decades. Once largely dependent on tropical export agriculture, the economy has evolved into a modern, diversified, semi-industrial complex, with agriculture now contributing only about 2 per cent of the GDP. The exploitation of petroleum and gas resources has played a vital role in this process. The petroleum sector dominates the economy, accounting for about 40 per cent of the GDP, two-thirds of government revenues, and more than 80 per cent of exports.

A decline in petroleum production caused a serious deterioration in the country's economic growth and external position between 1968 and 1973. However, the discovery of additional petroleum reserves and, particularly, the quadrupling of world oil prices at the end of 1973, led to a dramatic upturn in Trinidad and Tobago's economic situation. Although not an OPEC member, Trinidad benefited considerably from the price hikes.

During 1976 and 1977, Trinidad and Tobago's overall economic position improved considerably. Spurred by a construction boom which began in 1976, the non-petroleum sector of the economy expanded vigorously. A boom in construction and construction-related manufacturing activities led to an expansion both in the entire manufacturing sector and in services.

The government responded to the sudden influx of petroleum wealth by:

— initiating a greatly expanded investment program designed to diversify Trinidad and Tobago's economic base, provide employment, increase public sector participation in the economy, and upgrade the social and economic infrastructure, including education and health facilities;

— attaining a level of foreign exchange reserves sufficient to ensure the continuation of an ambitious investment programme in the future; and

— attempting to improve the welfare of the entire population through the provision of expanded services at subsidized rates.

The government's economic strategy centred on the development of high-technology industries which would exploit the country's vast reserves of natural gas. The first two projects in this scheme, an ammonia plant and a steel mill, are already in production, and a further large ammonia fertilizer plant was recently commissioned. In early 1981, contracts totalling more than U.S. $300 million were signed for the construction of urea and methanol facilities. The government has also been considering the possibility of upgrading its oil refinery, the feasibility of building an aluminum smelter, and a proposal to erect a facility for liquifying natural gas (LNG). All of these major projects are geared for export.

In 1979-1980, Trinidad and Tobago again enjoyed two years of exceptional economic growth. Gross Domestic Product (at current prices) increased by 32 per cent in 1979 and by 34 per cent in 1980. Per capita GDP reached U.S. $5,700 in 1980, making the country one of the wealthiest nations in the hemisphere. A record balance of payments surplus was achieved, and, in 1980, foreign exchange reserves passed the U.S. $2.5 billion mark. This strong economic performance was based on the sharp increase in petroleum prices in 1979. During this period, the construction and service sectors also expanded rapidly, and the manufacturing sector exhibited steady, moderate growth. In contrast, the agriculture sector continued to decline.

1981-82

Worldwide and local developments have brought the Trinidadian economy into a new phase during the past year. Declining oil reserves and production, combined with a sluggish world oil market, have forced the country to rely increasingly on the export-oriented industries developed over the past six years. These industries utilize the vast natural gas reserves as both a fuel and a raw material for production. They are intended to take over from oil during the 1980s as the main income earners. It is hoped that an upturn in the world economy will mean increased markets for Trinidad's industrial production.

Trinidad is also benefiting from a government decision, taken early in the 1970s, to lock away some surplus revenues in a number of special development funds. This foresight is now paying off. Whereas soft world oil prices

are causing tremendous problems in other oil-based economies, such as Nigeria and Mexico, Trinidad has been able to call upon its reserves to cushion it from the full effect of current circumstances.

In 1981, the rate of growth of the GDP and of Trinidad's balance of payments surplus declined, and the government's financial position weakened. The rate of GDP growth in nominal terms dropped from 34 per cent in 1980 to 11 per cent in 1981 (in real terms, 4.1 per cent to .8 per cent). The projection for 1982 is a real rate of 4.1 per cent, reflecting an 8.5 per cent increase in non-petroleum output in construction, transportation and services, and a continuing 3.5 per cent decline in petroleum production. Over the 1982-1986 period, estimates suggest an annual growth rate of 5 per cent.

Trinidad's balance of payments situation continues to mirror conditions in the petroleum market. The balance of payments surplus moved from $16 million in 1973, to $343 million in 1974 and has continued to show large surpluses. Preliminary 1981 figures show a favourable balance of U.S. $567.7 million, which represents a slight decline from the 1980 figure. Net foreign reserves have risen concurrently, the 1981 level having reached more than U.S. $3 billion.

The central government's budget also reflects the situation in the oil industry. From an overall surplus in 1981, estimated at more than U.S. $100 million, it is anticipated that the balance will shift to a large deficit. There are four main reasons for this. The decline in oil revenues is the first. In addition, heavy spending is forecast in public sector wages, due to a December 1981 wage settlement. The settlement provides a sharp salary hike of about 60 per cent spread over three years, with the major portion payable during the first year of the contract. This rate is in keeping with a number of recent salary increases. The disproportionate growth rates of wages and productivity are recognized as a major problem by the government. This issue has led to a series of national consultations on productivity initiated by the Prime Minister. A third drain on the budget is heavy subsidization of public utility rates and other products. The government has been reluctant to raise utility rates because of the unsatisfactory service provided. Lastly, heavy capital expenditure is also forecast for 1982 in areas such as infrastructure improvement and industrial development.

The work force of Trinidad and Tobago is estimated at 431,000. Continuing growth in the non-petroleum sector over the last five years has caused unemployment in Trinidad to fall from 14 per cent to about 10 per cent in 1980.

There was a small increase in 1981. Most of the growth in employment may be attributed to construction, transportation and government. Employment in agriculture has declined. Shortages of skilled workers and managerial personnel continue to affect the economy.

Official Trinidadian figures for the rate of inflation showed an increase from 10.3 per cent in 1978, to 17.4 per cent in 1980. The 1981 figure was 14.4 per cent.

In summary, the economy of Trinidad and Tobago is facing the most difficult conditions since the early 1970s, prior to the oil-price hikes. With the gradual depletion of crude petroleum, the abundant natural gas reserves must form the basis for stability and growth of the economy during the balance of the decade. The key to success will be the international competitiveness of Trinidad's natural gas-based industries.

The Principal Sectors

Petroleum

The economy of Trinidad and Tobago is based on the petroleum sector, a situation which will continue until at least the end of the current decade. Trinidad's economically-recoverable oil reserves are officially estimated at 580 million barrels. Its possible reserves of 1,200 million barrels are small by international standards, but because domestic consumption of petroleum and petroleum products accounts for only 4 per cent of total output, a considerable amount remains available for export.

Crude oil production in Trinidad and Tobago is conducted by two international oil firms, Amoco and Texaco; a wholly government-owned company, Trinidad and Tobago Oil Company (TRINTOC); and two companies in which the government has direct equity participation — Trinidad-Tesoro and Trinidad Northern Areas Limited (TRINMAR). There are two refineries: Texaco's, which has a capacity of 350,000 barrels per day; and the TRINTOC facility, with a capacity of approximately 100,000 barrels per day. The TRINTOC refinery processes domestic crude oil from its own fields, and from those of Trinidad-Tesoro, for export. Texaco imports most of the petroleum for its refinery from Saudi Arabia, Iran and Indonesia under a petroleum-processing agreement, for re-export to the United States. Production from the Amoco fields is exported as crude oil for refining abroad, primarily in the United States.

Major changes have occurred in the petroleum sector since the early 1970s. Today, it dominates the economy of Trinidad and Tobago. The share of petroleum in the Gross Domestic Product has increased from 20 per cent in 1972, to 50 per cent in 1978. The sector (including oil-related products such as fertilizers) now provides 92 per cent of export earnings, and 65 per cent of central government revenue. This development is the result of the quadrupling of international petroleum prices since 1973 and the government's successful efforts in encouraging exploration and development of the country's hydrocarbon resources through fiscal incentives. These developments have contributed significantly to Trinidad and Tobago's increasing international reserves.

In 1978, oil output reached a peak of 83.8 million barrels (about 230,000 barrels per day). Crude oil production in 1979 fell by 7 per cent from the 1978 level and remained static in 1980, when production was 77.6 million barrels. Estimates for 1981 indicate a further drop in total production to about 69.1 million barrels. Trinidad and Tobago is expected to run out of commercially-exploitable oil in 10 years unless some new resources are discovered soon. In April 1982, Amoco announced the first new oil discovery in 10 years. However, further testing is to be carried out to determine the commercial viability of this find.

Offshore exploration during the past decade has resulted in the discovery of large deposits of unassociated natural gas. Current estimates place gas reserves at 540 billion cubic metres (18 trillion cubic feet), adequate to meet the country's needs for at least 40 years. Of this total, 348 billion cubic metres (10.6 trillion cubic feet) are proven reserves. The government views this gas as both an inexpensive energy source and raw material for the development of a diversified and expanded industrial base.

Over the past five years, refinery output in Trinidad has declined more rapidly than has crude oil production. Refinery operations have become less profitable because they are geared to the production of fuel oil, whose international price has declined in recent years. In 1981, while production dropped 15 per cent from the 1980 level, exports fell by 20 per cent. Latest figures indicate that total refinery capacity utilization in 1981 was below 40 per cent.

Agriculture

The agricultural sector has declined in relative importance throughout the 1970s. From 5 per cent of the GDP and 25 per cent of the work force at the start of the decade, it now

accounts for less than 3 per cent of the GDP and employs only 11 per cent of the work force. Widely fluctuating world prices for the major exports crops, loss of rural manpower to more rapidly expanding sectors of the economy, rising production costs, inadequate agricultural services and, in the case of domestic food crops, a weak marketing system have all contributed to the decline.

About 65 per cent of arable land, constituting almost half of the total area of the two islands, is planted in export crops (sugar, cocoa, coffee and citrus fruit). Of the agricultural produce, cocoa is not processed to any significant extent, but sugar cane is converted into raw sugars for export, and there is an important rum industry. The citrus industry yields canned citrus juices for home and export markets, while the coconut industry provides edible oils, fats and laundry soaps of high quality, some of which are exported to neighbouring countries. Since 1974, production of Trinidad and Tobago's traditional agricultural export crops has stagnated.

Sugar, the single most important crop, accounting for about half of the value added in agriculture, has experienced a steady decline in output since the early 1970s. Production, which averaged about 204,075 tonnes (225,000 tons) per year in the 1960s and 181,400 tonnes (200,000 tons) annually in the early 1970s, dropped to 83,444 tonnes (92,000 tons) in 1981. This level represents a 40-year low, caused by low world prices, heavy rains, fires, and labour problems which plagued the harvest. Despite recent production declines, the sugar sector remains a major source of rural employment (65 per cent of total agriculture employment) and income. However, because the costs of production exceed the current market price by more than $1,000 per tonne, the government is considering rationalization of the industry to meet only local market requirements and reduce subsidization of the industry.

The production of coffee and cocoa averaged about 2.7 and 3.2 million kilograms (6 and 7 million pounds) respectively, over the period 1976-1978. In the case of coffee, output has been fairly stable in recent years; cocoa production, on the other hand, has declined significantly since the early 1970s. In 1978, the citrus crop recovered from the record low of 1977, but was still below 1974-1976 levels, while that of copra has fluctuated between 5,442 and 8,163 tonnes (6,000 and 9,000 tons) a year in recent years. In 1979, the performance of the main export crops was not encouraging. The production of cocoa fell 14 per cent from its 1978 level, and coffee production remained at 2.5 million kilograms (5.5

million pounds), the same as in 1978. Despite the collapse of world cocoa prices in 1980, the government formulated a cocoa revival plan at a cost of TT$5.5 million in 1980 and 1981. The objectives of the plan are to double cocoa output from 4.5 million kilograms (10 million pounds) per annum, to 9 million kilograms (20 million pounds) per annum by 1990. This will be achieved by improving post-cultivation practices, the level of labour productivity and by separating the cultivation of cocoa from that of coffee. Cocoa production rose by 32 per cent in 1981. Sugar now accounts for less than 4 per cent of total merchandise exports, while cocoa and coffee each represent less than 1 per cent.

Production of food crops was also down, so that this country, which was a net exporter of food just 20 years ago, now produces only about one-quarter of its requirements. After two years of steady gain, production of meat dropped in 1978, mostly due to a fall in pork output. The only upward trend in livestock has been that of the poultry and egg industry. Milk production declined due to a reduction in dairy cattle population that resulted from drought and disease. As a result, the country has become progressively more dependent on imports to satisfy its food requirements; food imports rose from U.S. $52 million in 1970 to U.S. $350 million in 1980. Foodstuffs will continue to make up a substantial percentage of imports in the foreseeable future.

Fisheries, Forestry and Mining

Despite heavy demand for fish, the local fishing industry has never been fully developed, and large quantities of fish are still imported. However, the National Fisheries Company, which had focused primarily on shrimp for export markets, has been directed to address the domestic market with other species.

Approximately 45 per cent of the land surface of Trinidad and Tobago is forested. Annual production from local forests is normally about 44,400 m^3 (18.5 million board feet). Local demand for timber is very high, and imports amount to approximately 54,000 m^3 (22.5 million board feet) annually. There are 63 sawmills, one match factory and a number of furniture factories in the country.

The territory's mineral wealth includes petroleum oil, lignite, low-grade coal, gypsum, limestone, fluorspar, sand and gravel, iron ore, argillite, porcellanite, and naturally-sintered clay. A large surface deposit lake of asphalt is situated on the southwestern coast. The asphalt extracted from the world-famous Pitch Lake at La Brea is used extensively as a road surfacing material. More than 75 per cent of asphalt production is exported.

Industry

The Trinidad and Tobago government is pursuing a policy of expansion in the industrial sector, using the financial reserves generated by the petroleum industry. While a great deal of Trinidadian industry is associated with the petroleum sector (notably the two major oil refineries at Pointe-à-Pierre and Point Fortin), there are many other types of industrial production in Trinidad, including car assembly, fertilizers, steel, cement, concrete products, paper products, rum distilleries and radio and television assembly plants.

The manufacturing sector (excluding the petroleum, petroleum-based, steel and cement industries) consists largely of facilities producing light consumer goods. These industries based on import substitution, account for about two-thirds of value added in the manufacturing sector. They consist mainly of food processing, clothing and textile production, local assembly industries, and building material manufacture. Output in the sector as a whole grew in the 1977-1980 period at an average rate of 7 per cent. It now accounts for 6 per cent of the GDP and 16 per cent of total employment. High growth rates were attained by textiles and footwear (14.9 per cent) and electricity (13.8 per cent). Two major industries suffered significant setbacks: cement production fell from 194,098 tonnes (214,000 tons) in 1979 to 165,981 tonnes (183,000 tons) in 1980, due to technical difficulties; and motor vehicle production declined by 22 per cent to 11,400 units, due to industrial unrest. However, a doubling of the cement-producing capacity and a modernized car assembly plant should lead to expanded production in these two sectors. In 1981, major declines were experienced in textiles, footwear, wood products and chemicals. The food, beverage and tobacco industries continue to be affected by inadequate supplies of raw materials.

Local manufacturing in Trinidad and Tobago is promoted through general fiscal incentives; duty-free access to imported raw materials; quantitative import restrictions which include some 450 commodity groups; technical assistance; and concessionary credit.

Most of the capital-intensive, energy-based industry is being developed at Point Lisas, an industrial park south of Port of Spain. The manufacturing sector has been given an additional spur by the recent openings, at Point Lisas, of the Iron and Steel Company of Trinidad and Tobago (ISCOTT), and Fertilizers of Trinidad and Tobago (FERTRIN) in the latter half of 1981. Ammonia was already being produced by TRIGEN (Trinidad Nitrogen Co.) With the addition of the FERTRIN plant, total capacity is now more than 1.1 million

tonnes (1.2 million tons), placing Trinidad among the five largest world suppliers of ammonia. FERTRIN is a joint venture of the Government of Trinidad and Amoco International. The ISCOTT complex was formally inaugurated in June 1981. Using imported iron ore, the complex produces direct reduced iron pellets, manufactured billets and wire rod for both domestic and international markets. Other developments will add methanol and urea production to the nation's major industries. An expansion of Trinidad's cement plant, which will double production, is underway. As well, Trinidad and Barbados are involved in joint-venture construction of a cement plant in Barbados. Faced with reduced revenues, the Trinidadian government is currently reconsidering the merits of proceeding with several other major capital projects — the upgrading of the TRINTOC refinery, an LNG plant and an aluminum refinery. It is hoped that some spin-off industries will develop with the completion of the major energy-based products, thereby diversifying export production, expanding the productive base and providing further employment opportunities. Some metal-transforming factories have started using local steel products. However, shortages of materials and skilled workers have impeded the development of such industries. The Industrial Development Corporation is currently building factory shells in anticipation of future needs.

Construction

Based on large-scale public investment in 1977-1978, construction activity in Trinidad expanded by an average of 24 per cent annually. Due to shortages of cement and of skilled workers, activity slowed to 5 per cent growth in 1979. It has, however, subsequently picked up, due to an increase in cement imports.

Strong growth continues in the construction sector, which accounted for more than 10 per cent of the GDP in 1981. This growth is expected to continue in 1982, despite bottlenecks caused by continuing shortages of cement and skilled manpower. Projects in the planning and construction stages include: public and private-sector housing developments; a regional hospital system; schools; a network of national warehouses; numerous government and private office buildings; and a variety of essential infrastructure upgrading projects. In recent years, government construction projects have accounted for 80 per cent of construction activity. In particular, the large, energy-based projects have required substantial infrastructure additions. Most are being located at Point Lisas where there is a natural harbour. With appropriate port facilities and continuous dredging, this harbour is able to accommodate ocean-going vessels. The gov-

ernment has taken a lead position in the Point Lisas Port Development Corporation (PLIPDECE). It has committed itself to providing the financial resources required to develop the port, power, water and transport infrastructure. The construction sector currently contributes about 20 per cent of employment. The anticipated budget difficulties in 1982 will likely cause the public building program to be scaled down.

Several years ago the government negotiated agreements with other governments, such as Canada's, under which the latter oversees the implementation of specific infrastructure projects. Many of the improvements in areas such as roads, public buildings, and so on, are being carried out under these "government-to-government" agreements, which provide for foreign technical assistance on key projects. For example, Transport Canada is providing advisory services for the two major airports, and Correctional Services Canada is assisting in the Golden Grove Prison project.

Tourism

Tourism accounts for less than 1 per cent of the GDP ($149 million in 1979) but continues to be a major earner of foreign exchange. It is an important source of employment and the mainstay of the economy of the island of Tobago.

Investment Incentives

Investment incentives are granted to approved Trinidad and Tobago corporations producing approved products. The incentives are meant to encourage the use of materials and services from within the Caribbean Common Market (CARICOM), as well as to promote tourism (hotel development) and housing development. The government has enacted basic incentive legislation designed to attract domestic and foreign investment in manufacturing and in import-substitution industries. Since 1974, these policies have been effected within the framework of the CARICOM Agreement for the Harmonization of Fiscal Incentives.

The Agreement provides for the following:

— a tax holiday and rebate on customs duty for up to 10 years;
— tax exemption of dividends for an equivalent period, but with no time limit on distributions;
— twenty per cent initial allowances on capital expenditure after tax holiday period;
— export allowances;
— carry forward of aggregate net losses for five years after end of the tax holiday period.

To qualify for benefit an enterprise must:

— be incorporated in the country from which it seeks the benefit;
— be engaged in industry;
— obtain approved status for itself and for its product;
— not be in an "established industry" — a condition which does not apply to enclave and highly capital-intensive industries. (Enclave industries are those which import raw materials wholly for re-export as finished products.)

The Agreement regulates the maximum concessions to be granted to certain classes of industry, with application of the incentive system at the discretion of the national authority. The extent of tax holidays depends on the projected contribution of the enterprise and its product to the local and regional economy. The maximum nine-year period may be allowed for approved products with 50 per cent or more local content; seven years for products with between 25 per cent and 99 per cent CARICOM content; and five years for products with local content of between 10 and 25 per cent. Furthermore, ten-year tax holidays are extended to export enclaves and highly capital-intensive industries, regardless of the local value-added content, because of their contribution to the economy. These industries may continue to import raw materials free of duty — even after the tax holiday has expired.

Other concessions are extended for specific sectors such as tourism, outside the CARICOM agreement. These include accelerated depreciation on capital equipment. The Customs Amendment Ordinance exempts from customs duty a long list of raw materials, and semi-processed and manufactured goods imported for use in manufacturing enterprises.

In Trinidad and Tobago, specific incentives, which may be extended from among those authorized under CARICOM rules, are negotiated on a case-by-case basis. The provision of the incentives depends on the extent of local (including CARICOM) value added, as well as on a determination of the economic requirements of the project. Import substitution manufacturing industries may also benefit, through the addition of the imported product to the negative list. This has the effect of requiring an import licence, and provides the locally-manufactured product with protection from extra-regional competition.

Under the Aid to Pioneer Industries Ordinance, concessions are granted to industries delcared to be "pioneer" industries (i.e., industries which have not previously existed in Trinidad and Tobago, or which are not being conducted on a commercial scale, or any industry for which there are favourable prospects for future development).

Manufacturers setting up "pioneer" industries enjoy a five-year exemption from import duties on their purchases of plant, machinery, tools and equipment, where such equipment must be imported from outside of CARICOM. Income tax holidays are available for five to ten years for "pioneer" industries, as are accelerated depreciation allowances.

The Hotel Development Act allows for similar concessions. Tax holidays of up to ten years apply, and customs duties may be waived for specified imports of building materials and hotel equipment.

Incentives for Exporters

Where a manufacturer or processor, incorporated under the laws of Trinidad and Tobago, has made export sales outside of the CARICOM region, an export allowance may be granted to that corporation.

Certain products do not qualify for the export allowance. These are:

Bitters
Crude petroleum, petrochemicals
Petroleum products and petroleum based-products
"Pioneer" products
Re-exports
Refined asphalt
Rum
Sugar

The export allowance is deductible from the taxable profits of the corporation.

Government Support

The government of Trinidad and Tobago established the Industrial Development Corporation to be the country's principal agency administering government incentives to industry. Incentives take the form of both direct and indirect financial assistance. The Corporation's purpose is to promote industrial and hotel development, and to act, in such matters, as a liaison between government and the private sector. For example, the IDC provides fully-developed industrial estates for use by certain approved investors. The Trinidad and Tobago Development Finance Company, which is jointly owned by government and the private sector, provides direct medium and long-term financial assistance to projects valued in excess of TT$50,000. The Trinidad and Tobago Export Credit Insurance Co. Ltd. is a government-owned company established to insure exports against commercial and political risks.

Free Trade Zones

There are no free trade zones in Trinidad and Tobago.

Foreign Investment

The government of Trinidad and Tobago encourages new private foreign investment in order to maintain the momentum of its industrialization process, but it expects all foreign resources, both financial and human, to be replaced in time by local resources. Factors which will be weighed in favor of foreign investors include: access to international markets for the plant's output; meaningful transfer of technology through training of nationals; transfer of managerial control to nationals; a research and development capability within Trinidad and Tobago; scope for growth of employment opportunities; and compatibility with the country's industrial structure and development objectives.

The government regards joint venture between local and foreign firms, government and foreign firms, government and local firms, or among government, local firms and foreign firms, as the most desirable form of direct investment. It will not allow any enterprise to be 100 per cent foreign-owned. Trinidadian participation in joint ventures should be in meaningful proportion; the normal ratio is 60:40, but in some cases a 51:49 ratio is permitted.

Certain sectors of the economy, such as distribution, advertising and the news media, public utilities, commercial banking, insurance, and petroleum marketing, are reserved for local investors. New foreign investment would not be permitted in these industries, except where the government determines that this would be in the national interest.

The acquisition of land is not considered a necessary precondition for production and investment. Therefore, no foreign investor is permitted to acquire property except under the circumstances set out in the Aliens (Landholding) Ordinance 1962.

Each foreign investment proposal is considered individually. Factors such as the degree of technology involved, and the market potential (especially export) for the plant's output are taken into account when the Central Bank assesses the "investment status" of the operation.

The repatriation of capital and transfer of profits, dividends or interest by foreign investors is permissible, but the conditions depend upon the "investment status" set by the Central Bank. The Central Bank is guided by the type of industry and the

level of its capitalization. In particular, companies which export a high proportion of their production are likely to receive more favourable treatment.

The government, in order to encourage investment by Canadian nationals in Trinidad and Tobago, has entered into an agreement with the Canadian government whereby investments by individuals or corporations (including non-Canadian subsidiaries) in projects approved by the government of Trinidad and Tobago, are protected by insurance against certain specific risks. This protection is offered through the Canadian Export Development Corporation and is extended only to new investments. It covers:

— war, riot, insurrection, revolution or rebellion;
— expropriation, confiscation or deprivation of property rights by government or its agents;
— the inconvertibility of Trinidad and Tobago currency.

In addition, a double taxation agreement exists between Trinidad and Tobago and Canada.

Further information on investment in Trinidad is available in Canada from:

Trinidad and Tobago Industrial Development Corporation,
145 King Street,
York Centre, Suite 202
Toronto, Ontario,
M5H 1J8
Tel: (416) 863-0133

Foreign Trade

Close to 90 per cent of Trinidad and Tobago's exports are made up of petroleum and petroleum products. The value of total exports increased steadily until 1981, in spite of declining crude production. This was due mainly to the sharp petroleum price hike in 1979. That year, the value of exports rose 27.4 per cent over the previous year. In 1980, another increase of more than 50 per cent was registered, bringing total exports (less re-exported oil) to U.S. $2.5 billion. Exports of non-petroleum products were relatively static during the 1978-1980 period. This adjusted export level rose only slightly in 1981, to U.S. $2.6 billion. Total imports increased moderately between 1978 and 1979 (7.1 per cent), but picked up strongly in 1980, posting a 48 per cent increase. Increases in the import of crude petroleum for the two local refineries accounted for most of 1980's increase, although imports of consumer and capital goods also rose considerably. The adjusted import level for 1981 was close to U.S. $2 billion. The

overall balance of payments reflected the petroleum price hike, showing a record surplus in 1980 of U.S. $594 million. The 1981 level dropped slightly to U.S. $568 million. Net international reserves, which had increased by 30 per cent in 1980 to U.S. $2.7 billion, reached more than U.S. $3 billion in 1981.

The United States was Trinidad and Tobago's chief trading partner in 1980, supplying more than 27 per cent of the country's total imports (43 per cent of non-oil imports), and purchasing about 60 per cent of Trinidadian exports. The volume of trade between the two countries was about U.S. $3 billion in 1980.

Other major suppliers are Britain (10.1 per cent of total imports in 1980), Japan (6.5 per cent), Canada (4.2 per cent), and the European Community (4.1 per cent). The Caribbean Common Market (CARICOM), absorbed 7.9 per cent of Trinidadian exports in 1980, and provided 4 per cent of its imports.

TOTAL IMPORTS BY PRINCIPAL COUNTRIES OF ORIGIN (U.S. $ million)

	1977	1978	1979	1980
U.S.	371.4	404.9	542.9	841.7
Saudi Arabia	430.2	430.0	407.1	965.0
Britain	187.5	248.9	231.9	322.4
Japan	81.0	106.3	208.2	211.7
Indonesia	187.5	275.8	137.5	144.7
Canada	62.1	74.6	130.1	125.0
Total	1,788.8	1,961.0	2,110.7	3,177.6

The economy is dependent on imports for almost all of its capital goods, as well as a substantial proportion of its intermediate and consumer goods, and foodstuffs. Other major imported commodities are mining, construction and industrial machinery; iron and steel pipes; and electrical machinery, apparatus and appliances.

TOTAL EXPORTS BY PRINCIPAL COUNTRIES OF DESTINATION (U.S. $ million)

	1977	1978	1979	1980
U.S.	1,575.2	1,401.1	1,559.2	2,263.8
Netherlands	40.2	67.7	193.8	251.5
Britain	42.8	57.3	98.0	59.7
Surinam	60.2	58.7	86.4	NA
Guyana	62.3	54.9	74.2	90.1
Barbados	26.5	25.6	43.2	66.9
Total	2,175.8	2,018.1	2,582.1	4,048.2

Fuels, lubricants and related materials account for most of the country's exports. Oil re-exports have traditionally

accounted for about one-third of the total export figures. Other major exports are sugar, coffee, cocoa, manufactured fertilizers and ammonia, and petrochemicals.

Trinidad and Tobago is providing a growing market for Canadian exports of goods and services. Over the 1982-1986 period, economic growth is expected to continue at an annual rate of 4 to 5 per cent. Food products will continue to be an important import item. In spite of an expected reduction in government expenditures, demand for construction equipment and materials should continue to be strong. Other major imports will include machinery and equipment for metalworking, plastic and woodworking industries; oilfield equipment and supplies; communications and security equipment; and a wide range of consumer goods.

MAIN CANADIAN EXPORTS TO TRINIDAD AND TOBAGO

Meat
Fish
Vegetable and vegetable preparations
Lumber, softwood
Paper, newsprint, other paper for printing, paperboard
Broad woven fabrics
Iron and steel alloys
Metal fabricated basic products
Materials handling machinery and equipment
Other telecommunications and related equipment
Electric lighting and distribution equipment
Other equipment and tools
Other personal and household goods
Medical and pharmaceutical products in dosage
Containers and closures
Dairy produce, eggs and honey
Wheat
Sugar and sugar preparations
Other foods and materials for food
Oils, fats, waxes, extracts and derivatives
Precious metals, including alloys
Other general purpose machinery
Other special industries machinery
Synthetic rubber and plastic materials, shapes and forms
Other textile fabricated materials

Total main commodities
Total all commodities
Main as % of total

(Cdn. $'000s)

1979	1980	1981
2329	4044	5019
4352	7256	9468
6851	8481	6832
4357	4279	2417
4825	6919	7838
2560	3357	3054
9888	9918	1461
4948	10630	5652
1380	4128	429
1980	3360	3427
5929	5091	4505
1323	3376	1290
2868	2667	2398
2541	2899	2564
2629	3877	4726
1058	1027	1258
9759	—	—
2882	1298	387
2176	2317	3645
2012	2043	2507
3852	1947	1861
4957	1436	1178
15497	899	186
1488	1108	1421
1980	1925	1465
104421	94282	74988
126802	119603	105053
82.3	79.0	71.4

MAIN CANADIAN IMPORTS FROM TRINIDAD AND TOBAGO

Other fresh vegetables
Cocoa and chocolate
Distilled alcoholic beverages
Aluminum ores, concentrates and scraps
Crude petroleum
Fuel oil
Lubricating oils and greases
Refined sugar, molasses and syrups

Total main commodities
Total all commodities
Main as % of total

Membership in Trade Blocs

Trinidad and Tobago has been a member of the Caribbean Community (CARICOM) since its formation in 1973. The treaty binds the former British colonial territories of the Caribbean, namely, Antiqua and Barbuda, Belize, Barbados, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Vincent and the Grenadines, St. Kitts-Nevis, St. Lucia, and Trinidad and Tobago, into a Common Market which should combine, by August 1985, a common external tariff plus free movement of goods among the member states of CARICOM.

The principal objective of CARICOM is to accelerate the expansion of member countries' economies, by broadening the domestic market through the elimination of trade barriers (i.e. customs duties and import restrictions). The Caribbean Common Market provides a significant measure of co-ordination of customs and other fiscal and economic policies as well as development planning. The main machinery by which this closer economic integration is achieved is a common external tariff. Under the single-tier tariff, imports from outside CARICOM are currently liable to moderately high duties, while products of regional origin attract either no duty or preferential duty rates.

The CARICOM Treaty provides for a common external tariff, harmonization of tax incentives to industry (as outlined above), double taxation agreements, joint action on industrial development programmes, and extensive consultation on national development planning.

(Cdn. $'000s)		
1979	1980	1981
199	275	227
62	—	178
5851	2586	3017
259	189	565
—	—	21801
—	4	31802
9501	5399	15319
1092	805	508
16964	9258	73417
19006	11246	75316
89.2	82.3	97.5

Trinidad and Tobago is the only member of CARICOM which is self-sufficient in both oil and natural gas, and is able to export both crude and manufactured oil products. The economic strength resulting from its oil and gas wealth has made Trinidad and Tobago the wealthiest country in the community.

Trade within the CARICOM region has been affected by the economic difficulties experienced by some members of the community. Domestic exports from Trinidad and Tobago to other members declined slightly in 1978, and rose by less than 1 per cent in 1979. Trinidad and Tobago's imports from other CARICOM countries rose by 23 per cent in 1978, and by 38 per cent in 1979.

In 1976, Trinidad and Tobago became the first member of the Commonwealth to join the Organization of American States. Along with the other independent CARICOM countries, Trinidad and Tobago has signed the EEC/ACP Convention of Lomé (ACP = Asia, Caribbean and Pacific Group). The Convention places trade and aid relations between 46 African, Caribbean and Pacific countries and the EEC on a formal footing.

Under Lomé, imports into the EEC of virtually all goods from the ACP are free of customs duties. The ACP, for their part, are not obliged to give preferential treatment to imports from the EEC. They have agreed, however, to give EEC imports treatment no less favourable than that given to other developed countries, and to treat such imports in a non-discriminatory manner.

III. DOING BUSINESS IN TRINIDAD AND TOBAGO

Opportunities for Canadian Products and Services

Trinidad and Tobago has embarked upon a massive $3.5-billion industrialization programme aimed at employing its oil revenue and natural resources to create employment, to convert raw materials into export products with high value-added content, and to reduce the country's dependence upon the petroleum sector. Implementation of these projects means additional expenditure on electric power transmission and distribution, water and sewerage improvement, and other infrastructural developments. Canadian firms are in a good position to provide engineering, design, training, equipment, and supplies for these projects.

The government is also actively promoting investment in light manufacturing industries, especially those, such as metalworking industries, which will complement the major projects. The best export prospects are in capital goods. Imports of consumer items are affected by the extensive "Negative List", which indicates the range of imports subject to import licensing. This is a protective device meant to encourage local processing, packaging, light manufacturing, and assembly industries.

There are continuing market opportunities in fish, vegetables and other foodstuffs; lumber, newsprint and other paper products; a variety of metal products; machinery; cooling and refrigeration equipment; and primary textiles.

Distribution and Sales Channels

The main channels of distribution are: stocklist or independent agents; distributors — sometimes on an exclusive basis; trading houses in Canada, which sell directly to importers or to distributors; and visiting representatives from Canada.

Companies which intend to maintain ongoing sales to Trinidad and Tobago are advised to appoint a local agent or distributor. Trinidad is a small community where personal relationships make a difference. Furthermore, government poli-

cy encourages the development of local enterprise, and having a local agent can be an asset in obtaining government supply contracts. Most agents located in Trinidad cover only Trinidad and Tobago.

Appointing an Agent or Distributor

There is a relatively active group of importers and distributors, and Canadian firms appear to have little difficulty in locating suitable representation. However, the use of local agents has been affected by the enactment of new legislation in 1980. This states that every agreement between a foreign enterprise or government and a local agent must be in writing and be subject to Trinidad law. Within 60 days of the execution of a contract, the agent involved must lodge a copy of it with the Board of Inland Revenue and must register as an agent with the Registrar General.

Agreements with agents remain voluntary. It is customary to include provision for three to six months notice by either party before terminating a business relationship of this nature.

Although there is no statutory requirement to retain the services of a local company to handle the importation of goods, it is advisable to arrange for a customs broker to attend to all formalities relating to customs clearance.

Canadian exporters should seek advice from the Trade Commissioner about prospective local agents and distributors.

Advertising and Promotion

The principal advertising media in Trinidad and Tobago are the press, radio and television. Local magazines are becoming increasingly important. The main daily newspapers are *The Trinidad Guardian* (weekday mornings, circulation 58,500), its afternoon edition, *The Evening News* (weekdays, circulation 38,300) and *The Trinidad Express* (weekday mornings, circulation 44,850), which also publishes the afternoon tabloid, *The Sun* (circulation 22,000).

There are two AM and two FM radio stations with advertising facilities available. There is one television station, broadcasting in colour, which also provides a major outlet for advertising.

Buying Season

In Trinidad, there are three principal buying seasons. These seasons are related to Carnival, Easter and Christmas. In most other territories in the region, only the latter two seasons apply.

Buyers usually place orders about six months ahead of these holidays. In the case of toys for the Christmas trade, orders are placed as far in advance as February and March, depending on the distance from the supplier. In addition, there is a growing tendency to order merchandise during the summer months for the January-February tourist season.

Price Quotations

Whenever possible, prices should be quoted port of destination, in Canadian or U.S. dollars. If it is not possible to quote c.i.f., prices should be quoted f.o.b. port of shipment, including all handling and documentation charges up to the time the goods are placed on board the carrier.

Correspondence and Trade Literature

All correspondence and trade literature should be in English.

Credit and Usual Terms of Payment

The customary terms extended to importers in this market are sight draft documents against payment on arrival of the goods. In the case of initial orders from small unknown customers, a confirmed letter of credit might be a more prudent method. However, it should be borne in mind that this is a highly competitive market and, apart from price, credit terms and delivery are important determining factors in obtaining business. Therefore, credit may sometimes have to be extended for periods of up to 120 days from the date of acceptance.

All exporters should obtain credit ratings from the customer's bankers or through credit bureaus. That is, they should take the same precautions as they would in Canada.

The name and address of the local agent, where there is one, should be indicated in "case of need" to the collecting bank with each draft.

The Commercial Division of the Canadian High Commission in Port of Spain can obtain bank information on prospective

customers, provided enquirers supply the name of the customer's bank and a specific credit amount, where applicable. However, the office cannot obtain the detailed financial information required by EDC for insurance purposes. Such information is not available from third-party sources for private companies.

Banking Services

The Central Bank of Trinidad and Tobago is a public corporation which acts as the exclusive monetary agent for government. It is solely responsible for the issue of the currency of Trinidad and Tobago and for the regulation of the money supply. The Central Bank controls all foreign currency, assigns investment status to foreign investors, and lays down the policy governing the operations of the commercial banking system.

Subsidiaries of the following Canadian banks operate in Trinidad and Tobago, with their head offices in Port of Spain: The Royal Bank of Trinidad and Tobago Ltd.; The Canadian Imperial Bank of Commerce, Trinidad and Tobago; and The Bank of Nova Scotia, Trinidad and Tobago Ltd.

The Trinidad and Tobago Development Finance Company and the Agricultural Development Bank are the only development banks in the country. Both banks offer medium and long-term loans. The Development Finance Company offers services mainly for industrial and tourism purposes and the Agricultural Development Bank confines itself to commercially-oriented agriculture and forestry. The Loan Fund of the Industrial Development Corporation makes loans to private industry.

Patents, Trademarks and Copyrights

Patents, trademarks and copyrights are regulated in accordance with the Patents, Designs and Trade Marks Ordinance. Registration under the Ordinance provides registrants with protection over a period of years as stated in legislation.

Transportation, Utilities and Communication

Internal Transportation — Ample supplies of stone, sand and bitumen, as well as fairly easy terrain, have permitted the construction of more than 6,436 km (4,000 miles) of all-weather roads. These are mostly asphalted and serve most communities. Internal transportation is almost exclusively by road. The network connecting major cities and industrial

sites is generally good, although only a few well-travelled routes are capable of carrying very large transport vehicles. Due to an inadequate public transportation system and the resulting proliferation of private vehicles, roads in the populated areas are frequently congested.

Railroad — The phased abandonment of the rail service, which began in 1965, was completed in 1968.

Air — The territory is served by two airports. Piarco International, the transportation hub of the country, is located in North Central Trinidad, 25.6 km (16 miles) southeast of Port of Spain. Crown Point Airport is located at the southwestern tip of Tobago 12.8 km (8 miles) west of Scarborough.

Piarco airport is used by many international airlines to provide regular services to other parts of the Caribbean, North and South America, and Europe. British West Indian Airways (International), or BWIA, is Trinidad and Tobago's national airline, operating flights to and from North America. Trinidad and Tobago Air Services Limited operates a service several times a day between Piarco Airport and Tobago's Crown Point Airport.

Sea — The Gulf of Paria provides excellent natural harbours. However, berthing facilities are stretched to cope with the volume of traffic, even though efforts are being made to improve these facilities and to modernize cargo and container-handling equipment.

Port of Spain is the principal port. It is extremely well served by international shipping lines. There are a number of other ports and harbours.

Goods intended for Tobago are transshipped through Port of Spain. Scarborough Harbour has facilities and accommodations for tourists and inter-island transport, but does not have the capacity to handle ocean-going cargo vessels.

Scheduled shipping service is operated out of Central and Eastern Canada by Saguenay Shipping, Box Caribbean Lines and Concorde Line. Saguenay offers regular service from Montreal and Halifax, and Box and Concorde operate from Saint John. Alternatively, goods may be transported overland to New York or Miami for onward shipping to Trinidad.

Utilities — The Public Utilities Commission was established in 1966 as an independent regulatory authority. Its purpose is, in part, to determine rates for public utilities.

Electricity — In 1961, the Trinidad and Tobago Electricity Commission (T and TEC) was granted an exclusive right to supply electricity in the country, subject to the power of the Governor-in-Council to license other suppliers in certain circumstances. The Commission's supply system comprises three power stations in Trinidad and a standby plant in Tobago. It supplies single and three-phase, 60 cycle alternating current. Although Trinidad has more than sufficient power generating capacity, problems in the distribution system result in power outages from time to time.

Water — The Water and Sewerage Authority (WASA) is responsible for the provision of water and sewerage services. Water supply is problematic, due to power outages. WASA operates and maintains three up-to-date sewerage systems.

Telecommunications — Overseas communication by radio-telephone and cable is of a high standard; however, due to equipment inadequacies, the internal telephone service is at present erratic.

IV. CUSTOMS AND EXCHANGE REGULATIONS

Currency and Exchange Rate

The unit of currency is the Trinidad and Tobago dollar (TT$), which is divided into 100 cents. Formerly, the TT$ was tied to the pound sterling. In May 1976, it was pegged to the U.S. dollar at the rate of TT$2.40 = U.S.$1.00. Notes are issued in denominations of $100, $20, $5 and $1. Coins are in denominations of 50, 25, 10, 5 and 1 cents. Visitors are advised to make use of travellers' cheques.

Exchange Control

Through the Exchange Control Act of 1970, authority is vested in the Central Bank to exercise control over all gold and currency transactions between Trinidad and Tobago and non-resident foreign nationals or entities.

The repatriation of capital, profit, dividends, or interest by foreign corporations is permissible, but the conditions under which this is done are regulated by the Bank, with the approval of the Ministry of Finance and in accordance with the investment status assigned the particular corporation. The Exchange Control Act also provides for repatriation of funds in respect to licensing arrangements and royalty payments. Approval for the release of foreign exchange for import payments is contingent on compliance with relevant customs and licensing requirements.

Import Licences

While most commodities may be imported under open general licence arrangements, some imports fall under the provision of the Negative List. The List covers more than 400 items which require a specific import licence. Licences for these items should be obtained before the goods are ordered. They are generally valid for six months or until the end of the applicable quota period. Imports must arrive in Trinidad and Tobago within the validity period of the licence and are liable to forfeiture if this is not the case. However,

the validity can be extended if a satisfactory explanation is provided for the delay. Import licences are obtained by the Trinidadian importer from the Trade and Commerce Division of the Ministry of Industry and Commerce, Riverside Plaza, Port of Spain.

Items included on the Negative List are: cement, clothing, corrugated iron sheeting, cosmetics, and motor vehicles, either complete or semi-knockdown. Firearms, ammunition, and narcotics are either prohibited or rigidly controlled for security and health reasons.

As a rule, import licences are not approved if domestic production or production within the Caribbean Community (CARICOM) is deemed adequate to meet demand. Items on the negative list should not be shipped until the necessary import licence has been obtained.

Import Duties

Effective January 1, 1971, the government of Trinidad and Tobago adopted a new customs tariff. An amended version of that tariff was issued on January 1, 1979. The new Common External Tariff (so-called because it was adopted within the framework of the Caribbean Community, CARICOM), is a one-column tariff using the Customs Co-operation Council Nomenclature (CCCN). Provision is also made for the statistical classification in accordance with revision 2 of the Standard International Trade Classification (SITC) system.

No preferential treatment is accorded, other than for goods produced in member states of CARICOM, which are generally duty-free.

Most duties are levied on value, although certain vegetable products, spiritous liquors, and petroleum products are assessed specific duties according to net weight or volume. Duties are levied as a percentage of the c.i.f. value; that is, the value of the item delivered to the customs house of entry, including the cost of containers and of preparing the goods for shipment. Commissions paid to purchasing agents must be included in the value of the goods, unless the supplier of the goods produces a statutory declaration stating that he is a bona fide buying agent of the importer, that he is not the manufacturer, and specifying the rate of commission and basis for establishment of that rate. The maximum commission which may be excluded is 5 per cent.

Most products bear duty rates averaging between 20 per cent and 35 per cent ad valorem, with a few items bearing duties more than 50 per cent. A number of essential products enter duty-free or are dutiable at rates of less than 15 per cent ad valorem. Certain items used in basic industries, such as the oilfield industry, construction, and "pioneer" industries which have been adjudged eligible for fiscal incentives, are admitted free-of-duty when specified conditions have been met.

A purchase tax ranging between 3 per cent and 65 per cent is levied on the duty-paid value of certain imported goods. This tax also applies to goods which may have entered duty-free. There is also a tax on motor vehicles.

Documentation Procedures

All shipping documents must be provided to the customs authorities and all applicable custom charges must be paid before the goods are released. Subsequently, the documents must be made available to the exchange control authority in order to obtain approval for the remittance of funds.

In accordance with recent metrication legislation, all goods imported into the country must be invoiced in metric measures. Exporters are strongly advised to comply with this requirement.

Canadian exporters are often careless in preparing and forwarding correct documentation. This results in the late arrival of shipping documents and causes extra expense to the importer. Ascertain your customer's requirements and take every reasonable precaution to ensure that these requirements are satisfied.

V. YOUR BUSINESS VISIT TO TRINIDAD AND TOBAGO

Advise and consult with the Trade Commissioner in the Commercial Division of the Canadian High Commission when planning your first business visit to Port of Spain, preferably well in advance of your departure. Inform that office of the purpose of your visit, and include several copies of product brochures. It is extremely helpful if you work out the c.i.f. prices on at least a part of your product range in advance. You should also list any contacts you may already have with Trinidadian businessmen.

With this information at its disposal, the commercial staff will be pleased to arrange a tentative itinerary and make appointments on your behalf which you may confirm upon arrival.

When to Go

The best time to visit Trinidad is between April and November, to avoid the tourist season. Local businessmen have more time then to consider new lines and new ventures. Virtually no business is transacted in Trinidad during the Carnival period in February.

How to Get There

Air Canada and British West Indies Airways (BWIA) have regular flights from Toronto to Port of Spain. These flights operate up to four times weekly, depending on the season.

Internal Transportation

There are some 6,436 km (4,000 miles) of good roads. Taxis can be hired by distance, by the hour, or by the day. For example, the cost of hiring a taxi to make calls in the Port of Spain area would be about TT$125 a day (1982). Car rental service is available at the airport and in Port of Spain.

Passport

A valid passport is required for entry into Trinidad. A visa is not required. Travellers must either have a return or through ticket, or deposit sufficient funds for the purchase of a ticket with immigration authorities upon arrival. A departure tax of approximately Cdn. $2.50, is required on departure from Piarco.

Visitors who intend to go on to other countries would be well-advised to obtain the necessary visas before leaving Canada; otherwise, delays and inconveniences may occur.

Health Certificate

An international certificate of vaccination against cholera and yellow fever, issued not less than six days, nor more than six years previously, is required in cases where visitors to Trinidad and Tobago have travelled recently in an infected area. Reasonable medical facilities, modern drugs and other medicinal preparations are readily available.

Clothing

For men, light tropical-weight suits are useful. We suggest that jackets be worn during at least the initial business call.

Currency Regulations

A traveller may be required to declare all currency in his possession when entering or leaving Trinidad and Tobago. Delays could be experienced in obtaining foreign exchange while in the area. It is therefore advisable to make arrangements to obtain such foreign currency as may be required for the remainder of your journey before leaving Canada. The maximum amount of local currency which may be taken out of the country by residents, business visitors or tourists is TT$48.

Under the existing exchange control regulations, gold and foreign bank notes brought into the country by bona fide temporary visitors or tourists may be taken out again without restriction.

Approval of the Central Bank is required for all foreign exchange transactions, but this is routinely granted for import payments if legal requirements (such as approval of the import licence, if required, and payment of duties) have been met.

VI. EXPORT ASSISTANCE

Market Advisory Services

As a service to Canadian business, the federal government maintains Trade Commissioners in 67 countries around the world. These representatives provide assistance to Canadian exporters and aid foreign buyers in locating Canadian sources of supply. In addition to providing the link between buyer and seller, the Trade Commissioner advises Canadian exporters on all phases of marketing, including: identification of export opportunities; assessment of market competition; introduction to foreign businessmen and government officials; screening and recommending agents; guidance on terms of payment; and assistance with tariff or access problems. Trade Commissioners also play an active role in looking for market opportunities and encouraging promotional efforts.

An additional source of information is the group of Trade Development offices of the Department of External Affairs in Ottawa. Each of these offices concentrates on markets in specific geographical regions, in this case Latin America and the Caribbean. They are the central government link in Canada for the Trade Commissioners overseas. In the case of Trinidad and Tobago, the Trade Commissioners in Port of Spain are in constant contact with their counterparts in the Latin America and Caribbean Trade Development Office in Ottawa (see address on Title Page). This Office can provide the following type of general information:

— market information, including economic outlooks for individual countries and information on the market for particular products;
— market access information on tariff rates, regulations, licensing, no-tariff barriers, product stardards, required documents etc.;
— publications, including editions of this publication, *Guides for Canadian Exporters*, and country briefs on smaller markets.

The Trade Development Offices are also responsible for: assisting and advising exporters on marketing their products services; and informing businessmen about export services provided by the Canadian government, and about export opportunities as they arise.

If your company requires assistance in identifying overseas markets for your products, you should contact your nearest Regional Office of the Department of Industry, Trade and Commerce and Regional Economic Expansion. Their addresses are listed on page 00. These offices, located in each province, assist exporters with market planning and can arrange for the assistance of both the relevant Trade Development Office in Ottawa and the Trade Commissioners overseas.

Export Development Corporation

The Export Development Corporation (EDC) is a Canadian Crown Corporation whose purpose is to facilitate and develop Canada's export trade.

EDC provides insurance, guarantees and export financing which, combined with financial advice and the organization of financial packages, facilitate the sale of Canadian goods and services to compete effectively abroad.

The corporation offers the following services:

Export Insurance and Related Guarantees

— global comprehensive insurance
— global political insurance
— selective political insurance
— specific transaction insurance
— specific transaction guarantees
— loan pre-disbursement insurance
— foreign investment insurance
— performance security insurance
— performance security guarantees
— consortium insurance
— surety bond insurance
— bid security guarantees.

Export Financing and Related Guarantees

— loans
— multiple disbursement agreements
— line of credit allocations
— note purchases
— forfeiting
— loan guarantees.

EDC has its head office in Ottawa (see Section VII). Regional offices are maintained in Montréal, Toronto, Vancouver and Halifax (see Useful Addresses). Export insurance services are handled by these regional offices.

General enquiries regarding other EDC services may also be channelled through these offices. Enquiries about export financing for a specific geographical area should be addressed to the Manager of the appropriate department in the Export Financing Group in Ottawa.

Program for Export Market Development

The Program for Export Market Development (PEMD) is designed to assist individual firms in their particular marketing endeavours. Financial assistance is provided for the export activities listed below, in response to applications from interested companies. The government contribution is repayable to the extend that export sales result from one of following PEMD-supported activities:

- precontractual and bidding costs for specific capital projects (PEMD A);
- travel and related costs in market identification trips and market adjustment (PEMD B);
- costs of individual participation in trade fairs abroad (PEMD C);
- specified costs of bringing foreign buyers to Canada (PEMD D);
- costs associated with forming and operating an export consortium (PEMD E);
- costs associated with extended market development (PEMD F);
- support for export market development for agriculture, food and fisheries products (PEMD FOOD).

Applications should be submitted to regional offices (see Useful Addresses) of the Department of Industry, Trade and Commerce and Regional Economic Expansion in the province in which the applicant firm is registered.

Trade Fairs and Missions

In order to further assist Canadian exporters in developing business in foreign markets, the Trade Fairs and Missions Division of the Office of Trade Development — Latin America and Caribbean, Department of External Affairs, Ottawa, organizes and implements the following trade promotion programmes:

- participation in trade fairs abroad;
- trade missions to and from Canada;
- in-store promotions and point-of-sale displays;
- export-oriented technical training for buyers' representatives.

The yearly Fairs and Missions program for the region is put together based on suggestions by the Trade Commissioner in the field and the Trade Development Office in Ottawa, in discussion with the industry sector specialists of the Department of Industry, Trade and Commerce and Regional Economic Expansion.

For further information, write to:

The Director
Trade Fairs and Missions Division
Office of Trade Development —
Latin America and Caribbean
Department of External Affairs
235 Queen Street
Ottawa, Ontario
K1A 0H5
Tel.: (613) 996-5357
Telex: 053-4124

Publicity

Canada Commerce in English, and *Commerce Canada,* the French edition, are published monthly. They contain a variety of articles and reports on export opportunities, such as government service to industry, international market conditions and terms of access, industrial development, and joint industry-government efficiency studies. Both publications are available without charge to Canadian manufacturers from the Public Information Directorate, Department of Industry, Trade and Commerce and Regional Economic Expansion, Ottawa, Ontario, K1A 0H5.

Bimonthly issues of *Canada Commerce* outline fairs and missions which are being organized worldwide by the Department of External Affairs under its Fairs and Missions Programs. Similarly, alternate editions list multilaterally-funded capital projects overseas which offer good export opportunities for Canadian suppliers of goods and services.

Industrial Co-operation with Developing Countries

The Canadian International Development Agency (CIDA) supports the involvement of Canadians in investment projects in developing countries through its Industrial Co-operation Programme. Under this program, CIDA offers the following services:

(For Canadian companies wishing to investigate industrial co-operation opportunities in developing countries:)

- funding for travel, profitability and risk analyses, product technology testing;
- funding for project preparation studies as a lead-in to large capital projects;
- funding for demonstration test projects as a lead-in to technology transfer;
- leads and information on opportunities, and on local conditions and business practice;
- assistance in locating qualified Canadians to work abroad;
- specialized training of local employees;
- professional services to cope with special situations, such as complex tax or legal problems;
- investment missions to developing countries.

(For developing countries seeking Canadian private-sector participation in their economic development:)

- investment-seeking missions to Canada;
- information on Canadian technology and expertise;
- trade facilitation;
- business training in Canada and the home country;
- linkages between Canadian and local business and manufacturing organizations;
- public-sector institution building in co-operation with Canadian counterpart institutions;
- technical assistance to businesses requiring short-term experts;
- long-term credits for the use of Canadian consultants or experts to assist in delineating industrial development priorities; promoting and managing exports; and providing direct, continuing expert advice to all segments of the economy, private and public.

For further information, write to:

Industrial Co-operation Division
Canadian International Development Agency
200, promenade du Portage
Hull, Québec
K1A 0G4
Tel: (819) 997-7901
Telex: 053-4140 CIDA/SEL

Provincial Governments

Each provincial government has a department which provides guidance on business development, including trade.

VI. USEFUL ADDRESSES

In Canada

Trinidad and Tobago High Commission
Room 508, Fuller Building
75 Albert Street
Ottawa, Ontario
K1P 5R5
Tel: (613) 232-2418

Trinidad and Tobago Industrial
Development Corporation
145 King Street, York Centre
Suite 202
Toronto, Ontario
M5H 1J8
Tel: (416) 863-0133

BWIA International
145 King Street, York Centre
Suite 202
Toronto, Ontario
M5H 1J8
Tel: (416) 863-0300

In Trinidad and Tobago

Commercial Division
Canadian High Commission
72-74 South Quay
Huggins Building
P.O. Box 1246
Port of Spain
Tel: (809) 62-37254, 62-34787
Telex: (Destination Code 294) 3429

Air Canada
Furness Withy Building
84 Independence Square
Port of Spain
Tel: (809) 62-52191

Trinidad and Tobago Industrial
Development Corporation
10-12 Independence Square
Port of Spain

Controller of Customs
Nicholas Court
Port of Spain

Trinidad and Tobago Chamber
of Industry and Commerce
Corner Frederick and Hart Streets
P.O. Box 499
Port of Spain

Trinidad and Tobago
Manufacturers' Association
Corner Gray and Herbert Streets
P.O. Box 971
Port of Spain

Banks

Bank of Nova Scotia,
Trinidad and Tobago Ltd.
116 Frederick Street
Port of Spain

Bank of Commerce,
Trinidad and Tobago
72 Independence Square
Port of Spain

Royal Bank of Trinidad
and Tobago Ltd.
55 Independence Square
P.O. Box 70
Port of Spain

Hotels

Trinidad Hilton
Lady Young Road
Belmont
Port of Spain
Tel: (809) 62-43211/43111

Holiday Inn
Wrightson Road
Port of Spain
Tel: (809) 62-53361; 54531-8

Export Development Corporation

Export Development Corporation
Head Office
110 O'Connor Street
Ottawa, Ontario
(Mailing address:)
P.O. Box 655
Ottawa, Ontario
K1P 5T9
Cable: EXCREDCORP
Tel: (613) 237-2570
Telex: 053-4146
Facsimile: (613) 237-2690

Export Development Corporation
Suite 1030, One Bentall Centre
505 Burrard Street
Vancouver, British Columbia
V7X 1M5
Tel: (604) 688-8658
Telex: 04-54223
Facsimile: (604) 688-3710

Export Development Corporation
Case postale 124
800, Place Victoria, bureau 2724
Tour de la Bourse
Montréal (Québec)
H4Z 1C3
Tel: (514) 878-1881
Telex: 05-25618
Facsimile: (514) 876-2840

Export Development Corporation
Suite 810, National Bank Building
P.O. Box 810, 150 York Street
Toronto, Ontario
M5H 3S5
Tel: (416) 364-0135
Telex: 06-22166
Facsimile: (416) 360-8443

Export Development Corporation
Suite 1401
Toronto-Dominion Bank Building
1791 Barrington Street
Halifax, Nova Scotia
B3J 3L1
Tel: (902) 429-0426
Telex: 019-21502

Regional Offices

Preliminary information on marketing abroad is provided by Regional Offices of the Department of Industry, Trade and Commerce and Regional Economic Expansion at the addresses listed below.

Newfoundland and Labrador
P.O. Box 8950
90 O'Leary Avenue
St. John's, Newfoundland
A1B 3R9
Tel: (709) 737-5511
Telex: 016-4749

Nova Scotia
Duke Tower, Suite 1124
5251 Duke Street
Scotia Square
Halifax, Nova Scotia
B3J 1P3
Tel: (902) 426-7540
Telex: 019-21829

New Brunswick
590 Brunswick Street
Fredericton, New Brunswick
E3B 5A6
Tel: (506) 452-3190
Telex: 014-46140

Prince Edward Island
P.O. Box 2289
Dominion Building
97 Queen Street
Charlottetown,
Prince Edward Island
C1A 8C1
Tel: (902) 892-1211
Telex: 014-44129

Québec
Case postale 247
800, Place Victoria, 37^{e} étage
Montréal (Québec)
H4Z 1E8
Tel: (514) 283-6254
Telex: 012-0280

Bureau 820
220, avenue Grande-Allée est
Québec (Québec)
G1R 2J1
Tel: (418) 694-4726
Telex: 051-3312

Ontario
P.O. Box 98
One First Canadian Place,
Suite 4840
Toronto, Ontario
M5X 1B1
Tel: (416) 369-4951
Telex: 065-24378

Manitoba
4th Floor
185 Carlton Street
Winnipeg, Manitoba
R3C 2V2
Tel: (204) 949-2381
Telex: 075-7624

Saskatchewan
1955 Smith Street
Room 400
Regina, Saskatchewan
S4P 2N8
Tel: (306) 359-5020
Telex: 071-2745

Alberta and Northwest Territories
Cornerpoint Building
Suite 505
10170-105th Street
Edmonton, Alberta
T5J 3S3
Tel: (403) 420-2944
Telex: 037-2762

British Columbia and Yukon
P.O. Box 49178
Bentall Centre, Tower III
Suite 2743
595 Burrard Street
Vancouver, British Columbia
V7X 1K8
Tel: (604) 666-1434
Telex: 04-51191

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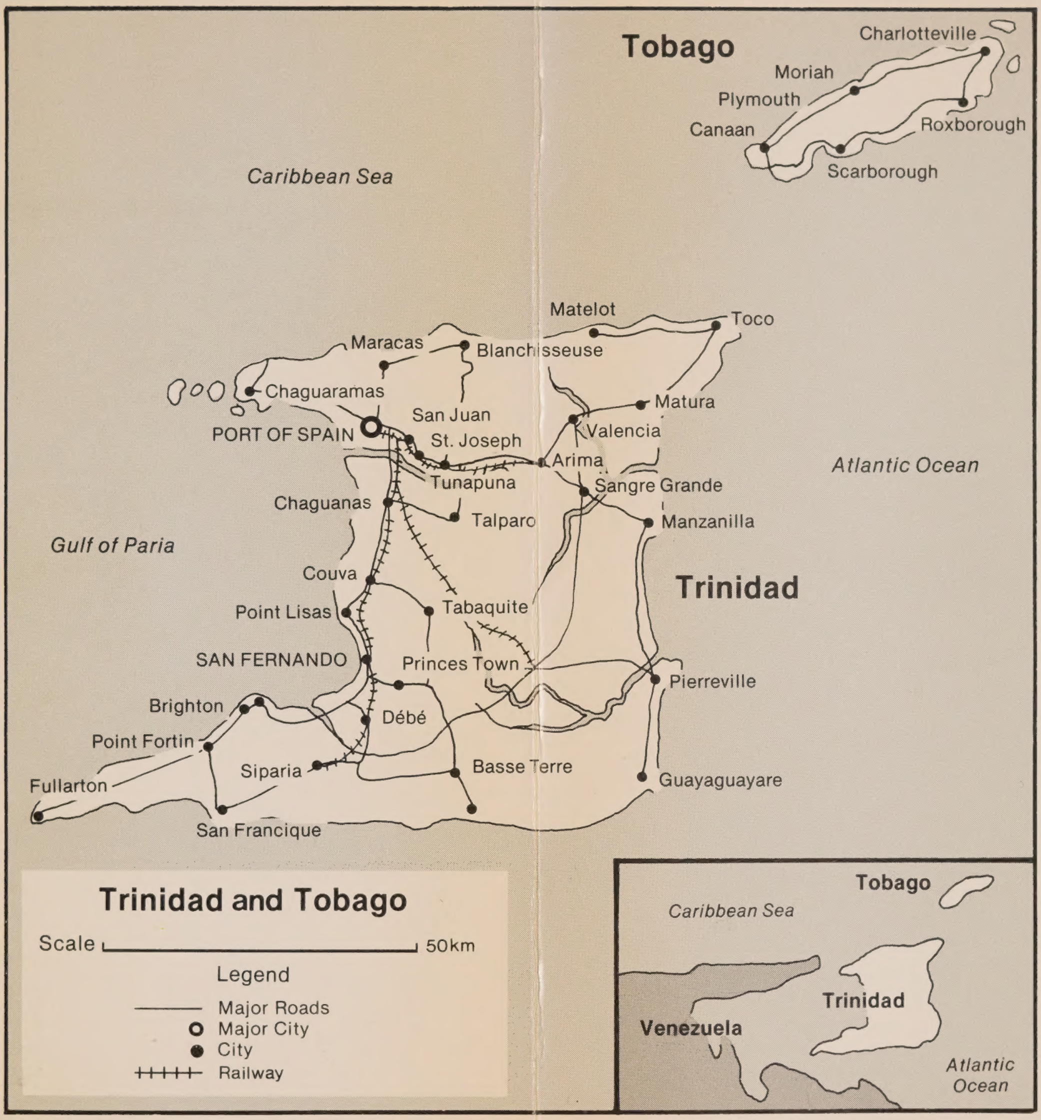
Tobago
Charlotteville
Moriah
Plymouth
Canaan
Roxborough
Scarborough
Caribbean Sea
Matelot
Toco
Maracas
Blanchisseuse
Chaguaramas
Matura
San Juan
PORT OF SPAIN
St. Joseph
Valencia
Arima
Atlantic Ocean
Tunapuna
Sangre Grande
Chaguanas
Talparo
Manzanilla
Gulf of Paria
Couva
Trinidad
Point Lisas
Tabaquite
SAN FERNANDO
Princes Town
Pierreville
Brighton
Débé
Point Fortin
Siparia
Basse Terre
Fullarton
Guayaguayare
San Francique
Trinidad and Tobago
Scale
50km
Legend
Major Roads
Major City
City
Railway
Tobago
Caribbean Sea
Trinidad
Venezuela
Atlantic
Ocean

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